GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1475
ANSWERED ON:16.07.2004
STABILISATION FUND
Verma Shri Ravi Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the stock market brokers have been demanding setting up of a Market Stabilisation Fund (MST) in order to counter problem of high volatility and low liquidity; and

(b) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Sir.

(b): The issue of establishment of a Market Stabilisation Fund was discussed in the meeting of the Secondary Markets Advisory Committee of SEBI during its meeting held in February, 2004. The High Level Coordination Committee of Financial and Capital Markets, during its meeting on 11th June, 2004 also discussed this issue and desired that the Securities and Exchange Board of India prepare a paper on the issue for further discussion.